

# **Missouri Enterprise Zones**

## **FY 2009 Annual Report**



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## **SUMMARY**

### **STATUTORY AUTHORITY**

- Sections 135.200 to 135.270, RSMo
- Pursuant to SB 1155 (2004), the Enterprise Zone tax benefit program is being phased out of existence.

### **PURPOSE**

To provide tax incentives which promote and facilitate the expansion of new and/or existing businesses in Missouri's many enterprise zones.

### **PROGRAM DESCRIPTION**

The eligible project must be located in one of Missouri's "enterprise zones." Enterprise zones are specified geographic areas as set forth by statute and certified by the Department of Economic Development (DED). Designations are based on demographic eligibility and approval of a request by the local government. The number of zones that may be certified is limited by law.

Facility eligibility is determined by its primary Standard Industrial Classification (SIC) or North American Industrial Classification System (NAICS) code, and includes manufacturing, warehousing, wholesale distribution, mining, insurance, research and development, recycling operations, computer-related services, and certain office activities.

To receive credits, a facility must create at least two new jobs and make a new investment equal to or in excess of \$100,000 (\$1,000,000 for replacement facilities) in the claimed year as compared to the base year (the year prior to a facility's commencement of operations). The investment credits are based on the original cost of machinery, equipment, furniture, fixtures, land and building, and/or eight times the annual rental rate paid for the same, excluding inventory.

Credits may be issued for each of ten years after the commencement of operations, unless the life of the enterprise zone expires first. Local property tax abatement, a state income tax exemption, and state income tax credits may be provided as business incentives, based on the following factors:

- new jobs created at the facility;
- enterprise zone residents employed by the facility;
- employees classified as "difficult to employ", or special;
- training for zone residents or employees classified as difficult to employ; and
- the amount of new investment at the qualifying facility.

## **MISSOURI ECONOMIC IMPACT**

For fiscal year 2009, the Enterprise Zone program generated over \$85 million in net new investments, and created nearly 280 net new jobs for Missouri\*. State costs amounted to \$10,366,073 in tax credits issued, of which \$6,914,412 have been redeemed.

The overall state unemployment rate has risen over the past year to 9.5 percent at fiscal year end, up from 6.1 percent in June 2008. This places Missouri's unemployment rate just under the national unemployment rate, which was 9.7 percent.

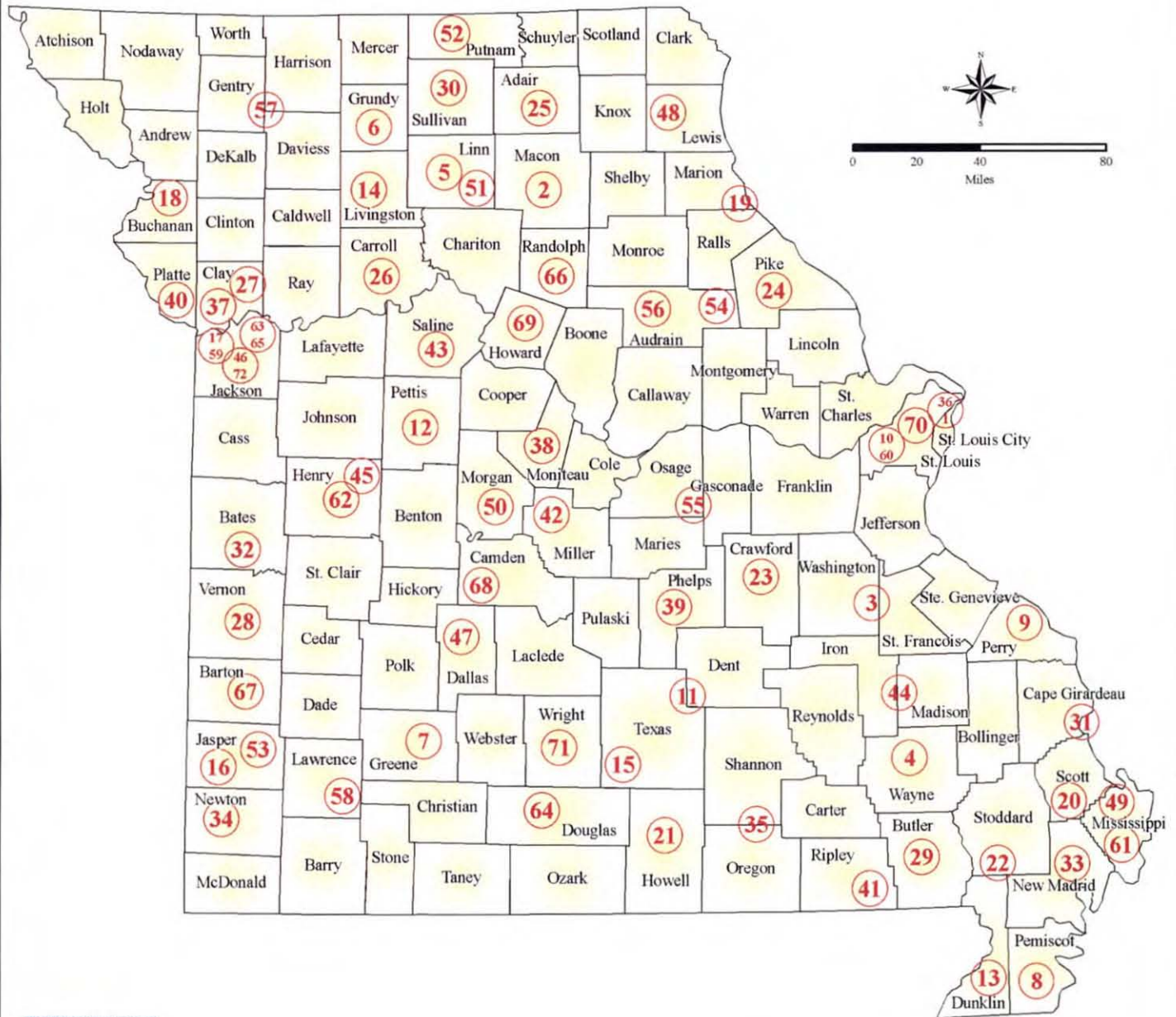
## **MISSOURI ENTERPRISE ZONE PERFORMANCE**

While the program generated considerable investment over fiscal year 2009, the number of businesses participating in the program continues to decrease, due primarily to zone and benefit expirations. As of June 30, 2009, 54 of the 72 enterprise zone designations had expired, with an additional four to follow in fiscal year 2010. Because the MO Enterprise Zone program is sunset, the Department expects to see a continuing decline in the program's economic impact as zones continue to expire.

\*Net new investments and net new jobs represent those companies reporting increased investment and job creation over the previous year's filing.

## GEOGRAPHIC DISTRIBUTION

### Missouri Enterprise Zones Locations



\*Zones expired as of 06/30/2009: 1, 3, 4, 6-33, and 35-57.

<b>Economic Impact of Missouri Enterprise Zones, Fiscal Year 2009</b>						
<b>Enterprise Zone Number and Name</b>	<b>Number of Facilities</b>	<b>Net New Investment from Previous FY<sup>4</sup></b>	<b>Net New Jobs<sup>4</sup></b>	<b>Zone Residents<sup>1</sup></b>	<b>Special Employees<sup>2</sup></b>	<b>Total Credit Issued FY 209</b>
1. St. Louis Midtown <sup>3</sup>						
2. Macon/Macon County/Callao/Bevier						
3. Washington County.St Francois County/ Potosi/Park Hills <sup>3</sup>						
4. Wayne County/Greenville/Piedmont <sup>3</sup>						
5. Brookfield						
6. Trenton <sup>3</sup>						
7. Springfield <sup>3</sup>						
8. Pemiscot County/Caruthersville/Steele/Hayti/Cooter <sup>3</sup>						
9. Perryville <sup>3</sup>						
10. Wellston <sup>3</sup>						
11. Dent County/Texas County/Salem/Licking/Houston <sup>3</sup>						
12. Sedalia <sup>3</sup>						
13. Kennett <sup>3</sup>						
14. Chillicothe <sup>3</sup>						
15. Cabool <sup>3</sup>						
16. Joplin Area/Webb City <sup>3</sup>						
17. Kansas City <sup>3</sup>	5	\$9,320,971.00	59.41	55	29	\$2,304,306.00
18. St. Joseph/Buchanan County <sup>3</sup>	3	\$19,274,681.00	10.25	83	0	\$267,304.00
19. Hannibal <sup>3</sup>	1	\$1,911,463.00	0	120	0	\$300,465.00
20. Sikeston <sup>3</sup>						
21. Howell County/West Plains/Willow Springs <sup>3</sup>						
22. Dunklin Co./Stoddard/ Co.Malden/Bernie/Campbell/Dexter <sup>3</sup>						
23. Cuba/Steelville/Crawford County <sup>3</sup>						
24. Pike <sup>3</sup>						
25. Kirksville <sup>3</sup>						
26. Carrollton <sup>3</sup>	1	\$10,100,523.00	0	0	0	\$40,530.00
27. Excelsior Springs <sup>3</sup>						
28. Nevada/Vernon County <sup>3</sup>						
29. Poplar Bluff/Butler County <sup>3</sup>						
30. Milan/Sullivan County <sup>3</sup>						
31. Cape Girardeau/Cape Girardeau County <sup>3</sup>						
32. Butler <sup>3</sup>						

Enterprise Zone Number and Name	Number of Businesses	Net New Investment from Previous FY <sup>4</sup>	Net New Jobs <sup>4</sup>	Zone Residents <sup>1</sup>	Special Employees <sup>1</sup>	Total Credits Issued
33. New Madrid <sup>3</sup>	1	\$6,719.00	0	0	0	\$66,104.00
34. Neosho	1	\$273,548.00	19.83	0	0	\$192,400.00
35. Shannon County <sup>3</sup>						
36. St. Louis Saltellite <sup>3</sup>						
37. Clay County <sup>3</sup>						
38. California <sup>3</sup>						
39. Rolla <sup>3</sup>						
40. Kansas City Satellite #1 <sup>3</sup>	1	\$4,721,859.00	29.25	78	78	\$5,627,788.00
41. Ripley County <sup>3</sup>						
42. Miller County <sup>3</sup>						
43. Marshall <sup>3</sup>						
44. Madison Co./Iron Co./Fredericktown/Ironton/Pilot Knob <sup>3</sup>						
45. Windsor/Henry County/Pettis County <sup>3</sup>						
46. Kansas City Satellite #2 (Richard Gebaur) <sup>3</sup>						
47. Dallas County/Bufalo <sup>3</sup>						
48. Lewis County <sup>3</sup>						
49. Mississippi County <sup>3</sup>						
50. Morgan County <sup>3</sup>						
51. Marceline <sup>3</sup>	1	\$2,840,592.00	0	111	1	\$507,852.00
52. Putnam County <sup>3</sup>						
53. Carthage <sup>3</sup>						
54. Vandalia <sup>3</sup>						
55. Gasconade Valley <sup>3</sup>						
56. Mexico <sup>3</sup>						
57. Daviess County/Gentry County/Harrison County <sup>3</sup>						
58. Aurora						
59. Kansas City Federal Enterprise Community						
60. St. Louis/Wellston Federal Enterprise Community	3	\$23,713.00	0	28	3	\$77,544.00
61. East Prarie Federal Enterprise Community						
62. Clinton						
63. Independence						
64. Ava	1	\$36,941,843.00	47.33	89	0	\$163,166.00
65. Independence Satellite						
66. Moberly	1	\$0.00	113.58	180	56	\$818,614.00
67. Lamar						

Enterprise Zone Number and Name	Number of Businesses	Net New Investment from Previous FY <sup>4</sup>	Net New Jobs <sup>4</sup>	Zone Residents <sup>1</sup>	Special Employees <sup>1</sup>	Total Credits Issued
68. Camden County						
69. Fayette						
70. North St. Louis County						
71. Wright county						
72. Independence Satellite Zone II - Southeast						
901. St. Louis Midtown EZ in Federal Enterprise Community						
910. Wellston EZ in Federal Empowerment Zone						
917. Kansas City EZ in Federal Enterprise Community						
949. East Prairie EZ in Federal Enterprise Community						
959. Kansas City Federal Enterprise Community not in KC EZ						
960. St. Louis/Wellston Federal Zone not is St. Louis EZ						
<b>Totals:</b>	19	\$85,415,912.00	279.65	744	167	<b>\$10,366,073.00</b>

<sup>1</sup> Indicates employees living in an area designated an enterprise zone.

<sup>2</sup> Employees were eligible for MO General Relief program, Temporary Assistance Program, or were unemployed at least 3 months prior to being hired at the facility.

<sup>3</sup> Indicates zones expired (or terminated) as of June 30, 2009.

<sup>4</sup> Net new investment and net new jobs are calculated by comparing the previous year new investment and new jobs to current year new investment and new jobs for the businesses issued tax credits in FY2009.